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Declassified in Part - Sanitized Copy Approved for Release 2012/05/04 : CIA-RDP90-00965R000605040057-8

ASSOCIATED PRESS 17 September 1985

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DATELINE: WASHINGTON

KEYWORD: U.S.-Nicaragua

BODY:

After last year's congressional ban on "directly or indirectly" aiding Nicaraguan rebels militarily, the White House continued to give them political advice and \_ once last spring \_ urged the rebels to suspend fighting, a senior administration official says.

In a Sept. 5 letter, national security adviser Robert McFarlane depicted an active White House campaign to help the rebels politically, but denied that those actions violated the congressional ban on even indirect military help for forces fighting Nicaragua's leftist government.

"I can state with deep personal conviction that at no time did I or any member of the National Security Council staff violate the letter or spirit of the law" which took effect last Oct. 1, McFarlane said in a letter to Rep. Lee Hamiliton, D-Ind., House Intelligence Committee chairman.

A copy was obtained Tuesday by The Associated Press.

Following press reports that NSC officials had given the rebels advice on private fund raising and military tactics, three congressional panels began reviewing possible violations of the ban, known as the Boland Amendment after its sponsor, Rep. Edward P. Boland, D-Mass.

The amendment, which expires Sept. 30, bars the CIA, Defense Department or any other "entity of the United States involved in intelligence activities (from spending money) for the purpose or which would have the effect of supporting, directly or indirectly, military or paramilitary operations in Nicaragua."

In an interview, Hamilton said administration officials have shown "they're going to do everything they can up to the margin of the law," but added that based on evidence now before his committee, "We have to conclude there was no violation."

The administration has repeatedly denied any impropriety in its contacts with the rebels, but McFarlane's letter represents the most detailed explanation of those actions.

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According to the letter, White House efforts included:

Advising rebel leaders on the importance of lobbying Congress and "explaining their cause to the (American) public."

Urging punishment of rebels found guilty of atrocities.

Seeking a broader political coalition.

Recommending a halt to military attacks last spring after the rebels demanded a dialogue with the Sandinista government. At that time, Congress was also considering Reagan's plan to resume lethal military aid to the rebels.

Administration and rebel sources, who insisted on anonymity, have said U.S. officials helped write a key rebel political document early this year and pressed the chief U.S.-backed rebel army to form a coalition with moderate political leaders.

In his letter, McFarlane confirmed that the administration "urged that (the rebels) forge a representative political front involving credible non-military figures and that this front take responsibility for framing a political program centered on achieving a peaceful, democratic evolution in Nicaragua."

McFarlane said this effort led to March 1 declaration in San Jose, Costa Rica, by the rebels of the Nicaraguan Democratic Force (FDN) and civilian opposition leaders, including Arturo Cruz, a former official of Nicaragua's Sandinista government.

The declaration demanded that the Sandinista government accept a church-mediated dialogue and new elections and warned that if progress towards these goals did not occur before April 20, "the possibility of a peaceful solution to the national crisis" would end.

"As this process began to mature this past spring, we encouraged (the rebels) to desist from military activities," McFarlane wrote. "At no time did we encourage military activities.

"Our emphasis on a political rather than a military solution to the situation was as close as we ever came to influencing the military aspect of their struggle."

One prominent rebel leader, Eden Pastora, a disaffected Sandinista commander, did not sign the San Jose document because, one aide said, the declaration had been rewritten by State Department officials to include demands that the Sandinistas would never accept.

"The list of prerequisites for the dialogue was handed by the State Department to the (opposition) Nicaraguans," said the aide. Two State Department officials confirmed the U.S. role in revising the document but described their recommended changes as minor.

The San Jose declaration was cited by Reagan last spring in his request to Congress to resume military aid to the rebels \_ a proposal that was defeated although Congress later approved \$27 million in non-lethal aid to the rebels.

In his letter, McFarlane also denied that NSC officials solicited "funds or other support for military or prarmilitary activities either from Americans or third parties. We did not offer tactical advice for the conduct of their military activities or their organization."

McFarlane defended continued administration involvement with the rebels as needed to keep them from pursuing "a purely military effort \_ a course which neither you nor I would support. ... I believe that future events will confirm that our contact with the resistance has had a positive effect on achieving a democratic outcome in the region."

McFarlane dismissed newspaper accounts of NSC officials helping the rebels with fund raising and tactical military advice as "a most unfortunate misrepresentation of the facts."

Three months ago, the AP reported that in the spring of 1984 \_ before the Boland amendment took effect \_ White House officials gave advice to private Americans involved in raising funds for the rebels and cleared offers from several friendly governments to funnel military aid to the rebels.